



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE
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CALIFORNIA STEM CELL FINANCE COMMITTEE AUTHORIZES \$14 MILLION BOND ANTICIPATION NOTE SALE, TAKING 1st STEP TO MOVE FORWARD WITH FUNDING GROUNDBREAKING STEM CELL RESEARCH

Sacramento, CA – The California Stem Cell Research and Cures Finance Committee, chaired by California State Treasurer Phil Angelides, today authorized the sale of \$14 million in Bond Anticipation Notes (BANs) to six philanthropic foundations. The sale will allow the California Institute for Regenerative Medicine (CIRM) to continue the work California voters charged the agency with when they approved Proposition 71 in November 2004: funding groundbreaking and potentially life-saving stem cell research.

"Californians overwhelmingly supported Proposition 71, making California the nation's leader in groundbreaking research with the potential to ease human suffering, reduce health care costs, and create new jobs and revenues for our state," said Treasurer Angelides. "Today's decision by the Stem Cell finance committee to sell \$14 million in Bond Anticipation Notes is another positive step toward implementing the desires that California voters strongly expressed when they overwhelmingly approved Proposition 71 in November 2004.

"On behalf of these voters and the countless number of families and patients who are hopeful that stem cell research holds the key to curing or treating debilitating diseases, I thank the philanthropic foundations who have stepped forward to allow this important scientific research to move forward expeditiously."

The State has negotiated a favorable interest rate at or below current market levels with a maximum of 5 percent. At today's interest rate, it is estimated that the BANs will cost approximately \$600,000 in interest for the first year. The philanthropic foundations that have agreed to purchase the BANs will be repaid when the State sells the bonds after litigation is resolved. The State of California bears no risk, as investors have agreed to forgo repayment if for some reason the bonds are not sold.

The investors are:

- Jacobs Family Trust - \$5,000,000
- The Benificus Foundation - \$2,000,000
- William K. Bowes Foundation - \$2,000,000
- The Eli and Edythe L. Broad Foundation - \$2,000,000
- The Moores Foundation - \$2,000,000
- Blum Family Partners, LP - \$1,000,000

Documents available upon request:

- CIRM Term Sheet
- Certificate of the ICOC Relating to Stem Cell and CURES BANs